

EXHIBIT 136

REDACTED

From: [REDACTED]
To: Chris LaSala [REDACTED]
Subject: Re: URGENT : DBM seems based on not second-price but first-price auction
Cc: [REDACTED]

responding to a smaller group...

I just spoke with [REDACTED]. He said this looks like an experiment run by our research team. [REDACTED] apparently found something similar and reached out. [REDACTED] is reaching out to the research team to see if they can replicate the results in the graph to confirm that is in fact an experiment. Will keep everyone in the loop.
[REDACTED]

On Wed, Mar 16, 2016 at 8:09 AM Chris LaSala [REDACTED] wrote:

Thanks for surfacing. [REDACTED] and I will connect with sell-side PM leadership to help craft a response.

On Wed, Mar 16, 2016 at 4:40 AM [REDACTED]

- + Chris, leading the charge on publisher yield management features
- AdX comms core list (we still need to clean it up and remove [REDACTED])

We're working on messaging about overall auction changes and should have something ready by April. As you know, this is a sensitive subject and consensus must be built before we communicate anything to customers. It'

Please do not forward this thread (analyst/comms only). Circle of trust.

@ [REDACTED] Chris, can you ask [REDACTED] how he'd like to handle short-term messaging to DBM? I don't think buy-side PM can help here as RPO (if it is the culprit) is a sell side product that we didn't know about on the buy side until last week.

In the meantime, you could say something along the lines of "We can confirm that there isn't a first price auction on AdX at this time, and we're doing more investigation into the bid/win histogram you sent. Please ensure that customers aren't bidding higher than they are willing to pay as competition can be quite high for valuable users".

On Wed, Mar 16, 2016 at 1:12 AM, [REDACTED]

I'll defer to [REDACTED] here on the best way to proceed, but I think we need to continue to put pressure on product through sales leadership to help us message the changes that we are making to our auction model.

If we don't message them proactively, our clients will find out - like in this case - and the negative PR will be far worse than any risk from being transparent.

[REDACTED] - Is there a way for us to get a quick comment from PM that can be shared externally in this case? How can we work toward putting together long term messaging on our rationale for making these changes?

[REDACTED]
On Tue, Mar 15, 2016 at 2:09 PM, [REDACTED]

Hi everyone,
Just resurfacing this topic.

@ [REDACTED] as we just discussed, is this something we need to take to leadership to come up with a short term (how we respond to this particular question from DBM) and long term (how we position auction dynamics to our buyers with regards to moving towards a first price auction) messaging strategy?

Thanks,
[REDACTED]

[REDACTED]

On Tue, Mar 1, 2016 at 9:57 PM [REDACTED]

That's right! I'll let him know.
But still he wants to know why this CPM leaping is happening.
Further investigation would be really appreciated.

On Tue, Mar 1, 2016 at 5:44 PM, [REDACTED]

[REDACTED]

[REDACTED]

2016-03-01 11:58 GMT+09:00 [REDACTED]

Hi [REDACTED]
Here is the reply from him.

I just added the information about DBM IDs and etc.
[REDACTED]
[REDACTED]

We expected that winning price should follow basically a log-normal distribution.
Strictly speaking, it's a mixture distribution of log-normal and round numbers like 150, 100, 500 which many CPM advertisers are likely to set manually.

FYI : This (WIP) is our analysis with auction data which we collected in July - September in last year and it looked fine in the period at least.
[REDACTED]
[REDACTED]

However, the winning price distribution has become changed and peaked at the max CPM selected by an advertiser since last October.
When they set 1000, 2000, 3000 yen as max CPM, the distributions of winning price of each campaign peaked at the price respectively.
If second-price auction worked in a right way, we could hardly imagine such a distribution would be shown.

I am asking [REDACTED] to prepare the summary of other SSP's data as well. I will let you know once I get it.

On Tue, Mar 1, 2016 at 10:34 AM, [REDACTED]

Hi [REDACTED]

It looks like a second price auction to me. All the win prices are below the winning bid price. That being said, it's interesting how the win prices gravitate towards the bid price after the second day.

What is the expected distribution of win prices? [REDACTED] [REDACTED] says other SSP's have a "normal" distribution. Can they share their data for other SSP's? Also, could you please ask them to share the DBM line item ID's? I want to take a look at the setup and DT files. I'll discuss with DBM product team and AdX team to see how we can explain this behavior.

Regards,
[REDACTED]

On Tue, Mar 1, 2016 at 9:34 AM [REDACTED]

+ [REDACTED]

I'm OOO for most of the day but other specialists should be able to help!

On Mon, Feb 29, 2016 at 10:18 PM, [REDACTED]

Hi [REDACTED]

Here is an email from Google marketing team.

I've consulted [REDACTED] on this before but they conducted further investigation and found that our answer which [REDACTED] gave me before cannot be the reason why the phenomenon happened.

What happening here is no matter how high CPM you set, DBM buys any impressions with almost the price. According to their research, DBM doesn't seem to be 2nd price auction.

I don't think DBM support can handle this anymore. So I directly emailed you two.

I don't want to bother you in this busy time but could you please look into this when you have time?

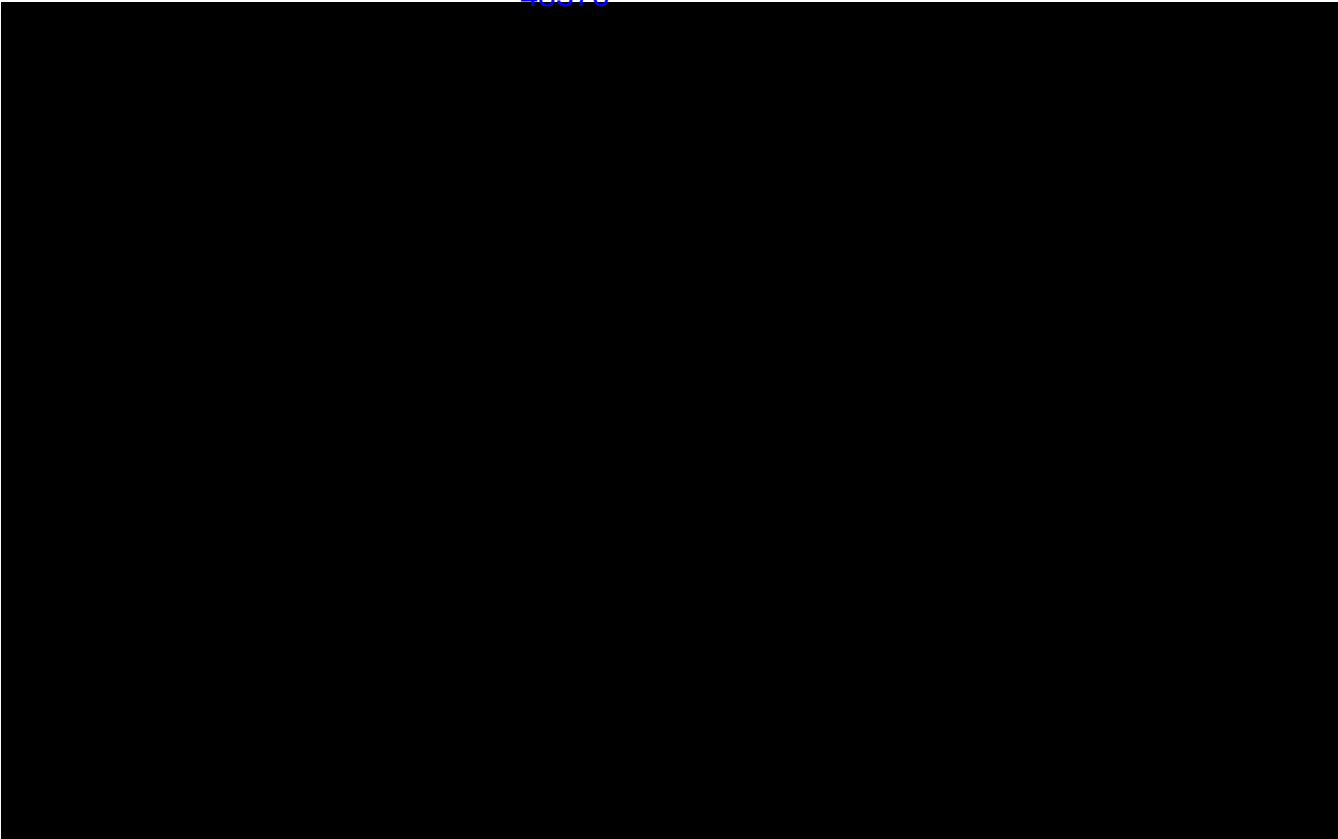
Thanks,
[REDACTED]

----- Forwarded message -----

From [REDACTED]

Date: Feb 29, 2016 3:21 PM

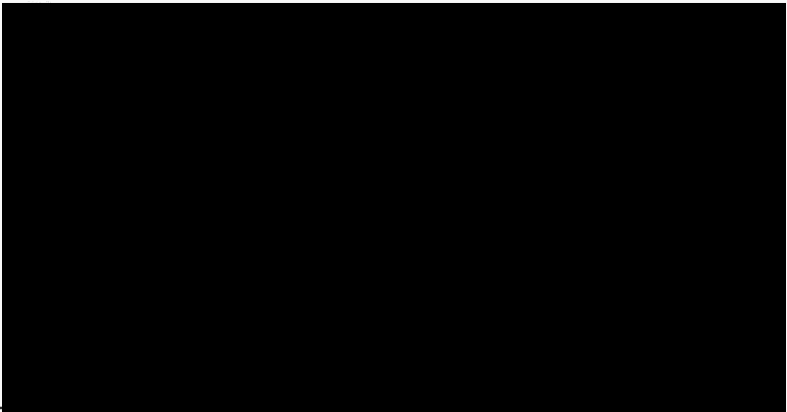
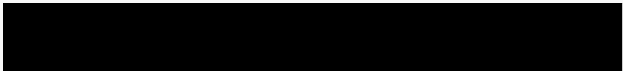
[REDACTED]



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[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]